

TESTIMONY
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Planned Parenthood of Illinois is pleased to have the opportunity to provide testimony to the Health Reform Implementation Council. Medicaid Reform will be key strategy in the successful implementation of health care reform.

First, under the Affordable Care Act, many Illinoisans will become eligible for Medicaid for the first time in their lives. Many of these individuals may have had no prior experience with any kind of health care coverage, including Medicaid. A targeted outreach program must be implemented to inform these people of their new Medicaid eligible status and to educate them about the health care system as a whole. Enrollment and using the system must be made as simple and accessible as possible.

In addition, there will be a population of individuals and families who may be eligible for multiple programs during a given year. For example, an adult, single man may have insurance from his employer which is a small business participating in the Exchange. But, when he loses his job, he becomes eligible for Medicaid coverage. If the process for transferring his coverage is difficult or delayed, he may fall through the cracks and end up outside of the system with no access to care. Likewise, coverage for a family whose members are covered by multiple programs and eligibility changes during the year for some members and not for others can be very confusing. If families become frustrated, they too may not access health care. Therefore, moving between Medicaid and other insurance programs such as Child Health Insurance or coverage in the Exchange must be as easy and seamless as possible.

Once the issues related to enrollment and seamless coverage between programs are addressed, one cannot assume that Medicaid eligible patients will have access to care. A Medicaid card does not guarantee access. Currently, there is a shortage of Medicaid providers in the State of Illinois. Planned Parenthood routinely has Medicaid patients for whom it is determined that they need additional or specialized care that we cannot provide. However, finding providers who can meet their needs and are willing to take Medicaid is a challenge. This is particularly so in the area of obstetric and gynecological care. Some providers are willing to take Medicaid patients, but limit the number they allow in their practice. Some providers will see privately insured patients quickly, while there is a long wait for Medicaid patients.

There are multiple reasons why Illinois medical providers shy away from taking Medicaid patients. First, Medicaid rates tends to not only be below the reimbursements rates of insurance and other government programs like Medicare, but also, the Medicaid reimbursement often does not cover the actual cost of providing certain medical services. Therefore, providers lose money when they see Medicaid patients. Non-profit providers like Planned Parenthood, have in their

mission to serve patients at all income levels. But, this commitment puts a strain on non-profit budgets. Private, for-profit providers do not have a similar commitment to serving a diverse population, leaving the low-income patient load to a limited number of non-profit providers.

Still, there are some for-profit providers who have Medicaid patient populations. However, both the non-profit and for-profit providers must not only struggle with low reimbursement rates, but they also must have the capacity to carry a large proportion of their billings for six months or more before they are paid. This can lead to serious cash flow problems and the need to borrow without being repaid for the interest on the unpaid Medicaid bills. Many agencies, both non-profit and for-profit, have had to rethink their participation in numerous State programs because of the budget crisis. The State's reputation for long delays in payments is not encouraging to a medical provider who is considering becoming a Medicaid provider. Seeing how reimbursements by the State have been conducted in the past several years may deter providers who do not want to take on additional financial risk. Therefore, the State must address the backlog of unpaid bills and ensure that medical providers receive priority and are paid in a timely manner.

Another deterrent from becoming a Medicaid provider is the fear of added bureaucracy. Medicaid billing can have a reputation of being slow to process and the computer system can be cumbersome and inefficient. Also, by becoming a Medicaid provider, the provider opens himself up to all of the regulations and rules of the program. This may be unappealing when the provider hears reports of what it's like to go through a Medicaid audit or to challenge audit findings. The Department of Healthcare and Family Services must make sure that it has clear, easily understandable, and detailed rules for working within the Medicaid Program. Burdensome audits must be limited so that the time taken away from providing direct care to patients does not become a hindrance to the financial well being of the organization.

One item which may help in relieving some of the challenges of participation in the Medicaid Program is the Department's commitment to the conversion to electronic medical records (EMR's). Hopefully, this will create a standardization of medical record keeping that will eliminate some of the confusion when it comes to billing and chart keeping. But, the conversion to EMR's carries with it other challenges. The most difficult one for non-profits like Planned Parenthood is the expense of purchasing and implementing a new EMR system. We estimate the cost of software and equipment to be at least \$500,000 for our agency which has 17 [CHECK NUMBER] clinic sites. This is an enormous expense for a non-profit agency that has a large proportion of patients on Medicaid or other low income support programs. We are aware that starting in 2011 incentive payments will become available for the meaningful use of EMR's and health information technology. We encourage the State and the Department to enact a system that ensures that providers can be approved for these payments as well as be paid in a timely manner.

Finally, Planned Parenthood cannot discuss the Medicaid patient population without raising the importance of reproductive health care. The Medicaid Program must cover a wide range of reproductive health care services, including contraception, as basic health care for all men and women. Contraception has been proven to have many health benefits. Various hormonal methods have been used for decades to treat a number of health conditions such as anemia, endometriosis,

and dysmenorrhea. Certain contraceptives play an important roll in preventing the transmission of STI's and HIV. Clearly, for an individual's overall health preventing these diseases is a far better alternative to treating them.

An important benefit of contraception is that it enables women to plan and space their pregnancies. The typical American woman, who wants two children, spends about five years pregnant, postpartum or trying to become pregnant, and three decades trying to avoid pregnancy. Unfortunately, about half of all pregnancies in the United States each year are unintended (either unwanted or mistimed). In part, this is due to a lack of access to affordable birth control services. Pregnancies that are too close together can result in poor health outcomes for both the mother and infant. Closely spaced pregnancies are more likely to result in low birth weight, premature birth, and delivery complications.

The primary goal of providing reproductive health care and access to contraception through Medicaid is to ensure the health and well being of the Medicaid enrollee and their families. However, there is also a financial benefit to the State which cannot be ignored. In a time of budget crisis, the State must not be short sighted. It must look to the savings that come out of access to essential health care that includes prevention. According to the Guttmacher Institute, every \$1.00 invested in helping women avoid pregnancies they did not want to have saves \$3.74 in Medicaid expenditures that otherwise would have been needed. By investing in reproductive health care that includes access to contraception, the State will enable its Medicaid enrollees to have a greater chance of improved health outcomes for both themselves and their families and thus save the State precious tax dollars.

As I stated in prior testimony, Planned Parenthood of Illinois is a non-profit health care provider that focuses on providing basic reproductive health care to low income individuals. Less than 10% of our patient population is insured. The majority of our patients are receiving some sort of government assistance for their health care, including Medicaid. The implementation of Medicaid reforms within health care reform will have an enormous impact on our business and our patient population. We look forward to working with the Governor, the General Assembly, the Council, and the Department to improve the Medicaid Program for the people of Illinois.